08 December 2010

CUSTOMS MEMORANDUM ORDER
NO. 53 - 2010

To
District Collectors
Deputy Collectors
Chief, Formal Entry Division
Importers/Customs Brokers
All Others Concerned

Subject
Supplemental Guidelines in the Implementation of CMO 27-2009 re: Post Entry Modification of SAD (PMS) and SAD Cancellation (SC)

1 Objectives

1.1 To provide detailed procedures in the implementation of the e2m Customs System concerning the post modification/cancellation of electronically lodged import declarations in the form of the Single Administrative Document (SAD).

1.2 To provide a procedure in the payment of additional duties & taxes as a result of the post modification of SAD, if necessary.

1.3 To expedite release of legitimate cargoes upon arrival in the Philippines.

1.4 To facilitate trade.

2 Scope

This covers the post modification/cancellation of electronically assessed import declarations in the form of SAD.
3 General Provisions:

3.1 Post Modification of SAD (PMS)

3.1.1 PMS is a process used when it is necessary to revise the data in the SAD. For clarity, post modification of the SAD includes the post assessment and post entry modification. Post assessment is the stage where the shipment is already assessed but not yet released from Customs (i.e. Green Lane entries). Post entry, on the other hand, is the stage where the shipment has already been released from Customs (i.e. Tentatively-Released Entries).

3.1.2 The Tax Exemption Certificate declared in the original SAD shall still apply in the calculation of the allowed exemption during PMS.

3.1.3 Any additional duties and taxes calculated as a result of post assessment shall be settled at the In-House Bank using the Cash Payment Module in the e2m Customs System.

3.1.4 The e2m Customs System shall send a release instruction to the port operator/arrastre/CY-CFS only once upon payment of the assessed duties & taxes due on the import declarations.

3.1.5 Refund of excess payment of duties & taxes as a result of PMS shall be coursed through the Tax Credit Office, following existing procedures.

3.1.6 Refund of cash bond posted on tentatively released shipments as a result of PMS, shall be processed in accordance with paragraph 3.2 of CMO 4-99.

3.1.7 All the data in the SAD can be modified except the following:

3.1.7.1 Customs Office Code (Box at the top right hand corner)
3.1.7.2 Model of Declaration/General Procedure Code (Box 1)
3.1.7.3 Importer’s Reference Number/TIN No. (Box 8)
3.1.7.4 Declarant’s Reference Number/TIN NO. (Box 14)

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3.1.7.5 Registry/Manifest Number (Box 18)
3.1.7.6 Bill of Lading Number (Box 40a)
3.1.7.7 Type of Package (Box 31)
3.1.7.8 Number of Packages (Box 31 & Box 6)
3.1.7.9 Gross Weight (Box 35)
3.1.7.10 Container Reference Numbers (Box 31)
3.1.7.11 Warehouse (Box 49)
3.1.7.12 All entries or data in the Attached Document Page
3.1.7.13 All entries or data in the Terms of Payment (TOP) Page

Necessary revision of the above-mentioned data shall require the cancellation of the SAD to be covered by an appropriate request (see Annex A). However, in the case of 3.1.7.6 and 3.1.7.9 above, cancellation of SAD is not necessary pursuant to CMO No. __________ on Short Shipment. The number of packages and/or gross weight of the shipment can be modified in the Inspection Act of the SAD.

3.1.8 The use of ASYCUDA Post-Entry Revision Form for post-entry modification shall be discontinued. In lieu thereof, the e2m post modification of SAD form shall be used (see Annex B).

3.1.9 The respective documents are required for PMS under the corresponding instances:

3.1.9.1 For correction of Data Encoded by the Declarant (Importer/Customs Broker) in the e2m Customs:

- Letter Request of the Declarant addressed to the District Collector identifying the data in the SAD that needs to be corrected, stating the reasons and basis for correction (see Annex C).

3.1.9.2 For Tentative Release

- Copy of VCRC or CVCRRRC Resolution, as the case maybe
- Prepared Discrepancy Report (D/R) (see Annex D)

3.1.9.3 For Shipments Subject to Adjustment of either Value and/or modifiable Net Weight and/or Classification

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3.1.9.3.1 In case of Alert Order
   • Lifting of Alert Order
   • Result of Magna-scale (if goods are dutiable by weight)
   • Report on the Result of Physical Examination
   • VRIS printout and/or other value info references, if necessary
   • Literature/Brochure and/or Tariff Commission Ruling, MSDS, Chemical analysis, if available.
   • Prepared Discrepancy Report (D/R)

3.1.9.3.2 For Decisions rendered by Law Division
   • Copy of the approved Decision or Order
   • Prepared Discrepancy Report (D/R)

3.1.9.3.3 For Other Cases (initiated by the COO III / COO V, Chief FED and other offices)
   • VRIS printout and/or other value info references, if necessary
   • Literature/Brochure and/or Tariff Commission Ruling, MSDS, Chemical analysis, if available.
   • Prepared Discrepancy Report (D/R)

3.1.10 The Discrepancy Report is no longer required if the percentage discrepancy is less than 10%.

3.2 SAD Cancellation (SC)

3.2.1 SC is a process used when it is necessary to revise data in the assessed SAD which cannot be done under PMS.

3.2.2 The original Import Entry & Internal Revenue Declaration (IEIRD) shall be retained as the original working copy.

3.2.3 Electronic re-lodgment of new SAD to replace the cancelled SAD is necessary in order to clear the goods/shipment from Customs.

3.2.4 Cancellation of the SAD will revert back the status of the attached documents like the Import Entry Declaration (IED) for Advance Duties, the license, clearance or permit, the Tax Exemption Certificate and the Tax Debit Memo. However, if the SAD has already undergone final assessment by the COO V and the other settlements
modes (OSM) has been completed; payments debited from the importer's account cannot be automatically refunded. The Importer shall follow the regular refund process.

3.2.5 The use of ASYCUDA Post-Entry Revision Form for post entry cancellation shall be discontinued. In lieu thereof, the e2m SAD cancellation form shall be used.

3.2.6 Documents Required for the Cancellation of SAD under corresponding instances:

3.2.6.1 For Change of Consignee
- Letter Request addressed to the District Collector stating the reason for the change and duly approved of the District Collector (see Annex C).
- Affidavit of disclaimer of ownership

3.2.6.2 Change of Customs Broker
- Letter Request addressed to the District Collector stating the reason for the change and duly approved of the District Collector (see Annex C).

3.2.6.3 Other non-modifiable date
- Letter Request addressed to the District Collector identifying the date in the SAD that needs correction and stating the reason and basis for correction (see Annex C).

4 Operational Provisions:

4.1 Post Modification of the SAD (PMS)

Correction of Data Encoded in the e2m Customs System under Item 3.1.10.1

4.1.1. Importer/Customs Broker shall submit to the Office of the District Collector the original IEIRD or VASP-SAD print-out (for SGL entry) and the necessary documents required depending on the applicable instances listed in Item 3.1.9

4.1.2. The District Collector or his designated official shall refer the letter request to the Division Chief and Section Chief of the concerned office for appropriate action.

4.1.3. The COO III and the COO V concerned shall review the request submitted. If the request for post modification of the SAD is inadequate and modifiable, the COO III and the
COO V shall prepare the e2m post modification form (Refer to Annex B). The Section concerned shall then forward the same to the Division Chief for his evaluation/action. If he concurs with the recommendation of the COO III and COO V, he then transmits the same documents to the District Collector for the latter’s approval/disapproval.

4.1.4. If the request is approved by the District Collector, the COO V shall access the e2m Customs System and make the necessary amendments in the SAD, reflect in the Inspection Act the amendments made and the reason/s therefore. He shall then print the modified SAD and attach it to the original import documents.

4.1.5. If the post modification of the SAD results to no additional duties and taxes, the Section concerned shall forward the entire documents to the Liquidation and Billing Division (LBD). The COO III, however, shall verify first if payment has been made on the subject shipment before the entire documents shall be transmitted to the LBD.

4.1.6. If the PMS results to additional duties & taxes, the Importer/Customs Broker shall proceed to the In-House Bank to pay the additional amount indicated in the Order of Payment Form (OPF) prepared by the COO III and duly signed by the COO V of Section concerned. However, if the Importer/Customs Broker does not agree with the reassessment made, the Importer/Customs Broker may avail of tentative release under CMO No. 45-2009 or the remedy provided for under Section 2308 of the TCPP, as amended.

4.1.7. The In-House Bank shall accept the payment & enter the details of payment in the e2m Customs System using the Cash Payment Module. The In-House bank shall generate and print the e2m Customs Receipt (ECR). The ECR Number must be indicated in the BCOR to be issued by the In-House Bank to the Importer/Broker together with the ECR.

4.1.8. After payment, the Importer/Customs Broker shall return to the COO III and COO V to present his BCOR with the ECR attached.

4.1.9. The COO III shall verify that the appropriate payment has been made using the e2m Customs Cash Payment Module in the e2m Customs System.

4.1.10. If additional duties & taxes was confirmed “paid”, the Section concerned shall forward the import document with all its attachments including the BCOR to the LBD.
Amendments in the Data Encoded in the e2m Customs System under Item 3.1.9.2 (Tentative Release) and Item 3.1.9.3 (Shipments Subject to adjustment of either value and/or modifiable net weight and/or reclassification)

4.1.11. Follow the procedure in Item Nos. 4.1.5 to 4.1.10.

4.1.12. If the District Collector approves the recommendation and the assessment made, he shall forward the same documents to the Division Chief concerned. The Division Chief shall return the same documents to the concerned COO V, who shall access the e2m system, print the modified SAD and attach it to the original import documents.

4.1.13. After proper amendment of the details in the SAD, procedures indicated above under Item No. 4.15 to Item No. 4.1.10 shall be followed.

4.2 SAD Cancellation (SC)

4.2.1 Follow same procedure in Item Nos. 4.1.1 to 4.1.2.

4.2.2 The COO III and the COO V concerned shall review the request submitted. If the modification request is for data that are not modifiable, the COO III and COO V shall recommend for the SAD cancellation. The Section concerned shall then forward the same documents to the Division Chief for his evaluation/action. If he concurs with the recommendation of the COO III and COO V, he then transmits the same documents to the District Collector for the latter's approval/disapproval.

4.2.3 After approval by the District Collector or his designated official, the same documents shall be returned to the Division Chief concerned for appropriate action.

4.2.4 The Division Chief shall forward the same documents to the COO V for SAD cancellation based on the approval of the District Collector.

4.2.5 After the SAD cancellation, the concerned COO V shall print the cancelled SAD and attach this to the original IEIRD, or SAD-IEIRD.

4.2.6 The Section concerned shall return the same import documents with all its attachments to the importer or his authorized representative for electronic re-lodgment of the new SAD to replace the cancelled SAD in the e2m Customs System through the VASP.
4.2.7 After re-lodgment, the Importer/Customs Broker shall submit the new printout generated VASP-SAD together with the original documents to the Entry Processing Unit of the concerned port for clearance processing.

4.3 PMS with unpaid accounts

4.3.1 All unpaid post modified SAD/s shall be forwarded by the Section concerned to the LBD for preparation of demand letter for signature by the District Collector.

4.3.2 The demand letter signed by the District Collector shall be forwarded to the Administrative Division, for mailing to the importer.

5. Sanctions

Failure of the concerned parties to comply with the foregoing provisions shall subject the erring parties to the imposition of appropriate sanctions, administrative, civil, and/or criminal, as may be warranted under the circumstances.

6. Repealing Clause

All Orders, Memoranda, Circulars or parts thereof, which are inconsistent with this Memorandum, are hereby deemed repealed and/or modified accordingly.

7. Separability Clause

If any part or provisions of this Order is later on declared invalid or illegal, the remaining portion shall remain valid.

8. Effectivity

This Order shall take effect immediately. Its implementation shall however be only in ports already implementing CMO 27-2009.

[Signature]

ANGELITO A. ALVAREZ
Commissioner

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**e2m Single Administrative Document (SAD) Cancellation**

**Important/Consignee:**

**Date:**

**Importer/Consignor:**

**Customs Broker:**

**Customs Reference Number:**

**EIRD Serial No.:**

**House Rl. No.:**

**Master B/L No.:**

**Registry No.:**

### Data for Correction

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**Prepared by:**

**COO III**

**Recommending Approval:**

**Division Chief**

**COO V**

**APPROVED/DISAPPROVED**

**District Collector**